

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
FIRST SPECIAL SESSION

HOUSE AMENDMENT "D" to H.P. 1352, L.D. 1898, Bill, "An Act to Discourage Smoking by Maine's Youth"

Amend the bill by striking out all of section 1.

Further amend the bill in section 2 in that part designated "§1546." in subsection 3 by striking out all of paragraphs B and C and inserting in their place the following:

'B. The Treasurer of State shall transfer to the department funds sufficient for all allocations from the fund;

C. The Treasurer of State shall transfer to the state-municipal revenue sharing program funds sufficient for all allocations from the fund; and

D. The Treasurer of State shall transfer to the Maine Healthy Kids Corporation funds sufficient for all allocations from the fund.'

Further amend the bill by inserting after section 2 the following:

'Sec. 3. 24-A MRSA c. 83 is enacted to read:

CHAPTER 83

MAINE HEALTHY KIDS CORPORATION

§6651. Maine Healthy Kids Corporation

R 48

2 1. Establishment. The Maine Healthy Kids Corporation, a
4 nonprofit corporation, is established. The Maine Healthy Kids
6 Corporation, organized pursuant to Title 13-B, has all powers
8 necessary to carry out the purposes of this section, including,
10 but not limited to, the power to receive and accept grants, loans
12 or advances of funds from any public or private agency and to
14 receive and accept from any source contributions of money,
16 property, labor or any other thing of value, to be held, used and
18 applied for the purposes of this section.

20 2. Duties. The Maine Healthy Kids Corporation shall:

22 A. Phase in a program to facilitate the provision of
24 preventive health care services and comprehensive health
26 insurance coverage first to children under 19 years of age
28 when the family income is below 150% of the nonfarm income
30 official poverty line for a family of the size involved, as
32 defined by the federal Office of Management and Budget and
34 revised annually in accordance with the United States
36 Omnibus Budget Reconciliation Act of 1981, Section 673,
38 Subsection 2 then, if funding permits, to other children
40 under 19 years of age;

42 B. Determine the best means to provide for payment for
44 preventive health care services or premiums for
46 comprehensive insurance coverage and for the actual or
48 estimated administrative expenses incurred during the period
for which family or employer payments are made. The program
must include a sliding scale of premiums and copayments
based on the ability of a parent or guardian to pay;

32 C. Establish the administrative and accounting procedures
for the operation of the corporation;

34 D. Establish, with consultation from appropriate
36 professional organizations, standards for preventive health
38 services and providers and comprehensive insurance benefits
appropriate to children;

40 E. Establish eligibility criteria that children must meet
in order to participate in the program;

42 F. Establish procedures under which applicants to and
44 participants in the program may have grievances reviewed by
46 an impartial body and reported to the board of directors of
the corporation;

48 G. Establish participation criteria and, if appropriate,
contract with an authorized insurer, health maintenance

1 organization or insurance administrator to provide
2 administrative services to the corporation;

4 H. Contract with authorized insurers or any provider of
6 health care services, meeting standards established by the
8 corporation, for the provision of comprehensive insurance
10 coverage and preventive health care services to participants;

12 I. Develop and implement a plan to publicize the Maine
14 Healthy Kids Corporation, the eligibility requirements of
16 the program and the procedures for enrollment in the program
18 and maintain public awareness of the corporation and program;

20 J. Secure staff necessary to properly administer the
22 corporation. The board of directors shall determine the
24 number of staff members necessary to administer the
26 corporation;

28 K. Apply, in cooperation with the Department of Human
30 Services, for any Medicaid waivers necessary to implement
32 this section; and

34 L. Provide a report on an annual basis to the Governor,
36 superintendent, Commissioner of Human Services, President of
38 the Senate, Speaker of the House of Representatives and
40 minority leaders of the Senate and the House. The first
42 report must be submitted no later than December 1, 1997.

44 3. Secondary coverage. Coverage under the corporation's
46 program is secondary to any other available private coverage held
48 by the participant child or family member. The corporation may
50 establish procedures for coordinating benefits under the program
developed pursuant to this section with benefits under other
public and private coverages.

4. Board of directors. The board of directors of the
corporation is established and consists of 11 members, to be
appointed as follows:

A. Commissioner of Human Services or the commissioner's
designee;

B. The superintendent or the superintendent's designee;

C. One member appointed by the Governor from among 3
members nominated by an association representing
pediatricians;

D. One member appointed by the superintendent from among 3
members nominated by an association representing hospitals;

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2 E. Two members appointed by the superintendent who are
4 representatives of health care insurers or health
maintenance organizations;

6 F. One member appointed by the Commissioner of Education
8 from the Maine School Health Education Committee;

10 G. One member appointed by the Governor from among the 3
nominees of an association representing family physicians;

12 H. One member appointed by the Governor who represents the
14 major statewide agency representing community health
administrators;

16 I. The Director of the Bureau of Health or the director's
18 designee; and

20 J. One member of the public appointed by the Governor.

22 Members serve a term of 3 years, except that, of those members
appointed in the organizational year, 3 serve a term of 2 years,
24 4 serve a term of 3 years and 4 serve a term of 4 years.

26 A member may be removed by the official who appointed that
member. The board shall appoint an executive director who is
28 responsible for other staff authorized by the board. The
superintendent or the superintendent's designee shall serve as
30 chair of the board.

32 Board members are entitled to receive, from funds of the
corporation, reimbursement for per diem and travel expenses.

34 There is no liability on the part of and no cause of action may
36 arise against any member of the board of directors or its
employees or agents for any action they take in the performance
38 of their powers and duties under this section.

40 5. Licensing not required. The following provisions govern
the operation of the corporation.

42 A. The corporation is not an insurer. The officers,
44 members of the board of directors and employees of the
corporation may not be deemed to be agents of an insurer.
46 Neither the corporation nor any officer, member of the board
of directors or employee of the corporation is subject to
48 the licensing requirements of the insurance laws or the
rules of the bureau.

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B. The board of directors has complete fiscal control over the corporation and is responsible for all corporate operations.

C. The bureau shall supervise any liquidation or dissolution of the corporation and has, with respect to any liquidation or dissolution, all power granted to it pursuant to the insurance laws.

6. Access to records; confidentiality. Notwithstanding any other provision of law, the Maine Healthy Kids Corporation may have access to the medical records of a child upon receipt of permission from a parent or guardian of the child. These medical records may be maintained by state and local agencies. Any identifying information, including medical records and family financial information, obtained by the corporation pursuant to this subsection is confidential. Neither the corporation nor the staff or agents of the corporation may release, without the written consent of the participant or the parent or guardian of the participant, to any state or federal agency, to any private business or person or to any other entity, any confidential information received pursuant to this subsection.'

Further amend the bill by striking out all of sections 5 to 7 and inserting in their place the following:

'Sec. 5. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1997-98 1998-99

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Bureau of Taxation

Positions - Legislative Count	(1,000)	(1,000)
Personal Services	\$15,903	\$32,904
All Other	38,920	53,440
Capital Expenditures	10,000	

Provides funds for one Revenue Agent position, effective January 1, 1998, one contract investigator and related administrative expenses to administer and enforce the cigarette tax

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laws.

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**DEPARTMENT OF ADMINISTRATIVE
AND FINANCIAL SERVICES
TOTAL**

64,823 86,344

**HUMAN SERVICES, DEPARTMENT OF
Bureau of Medical Services**

All Other 50,000

Provides funds to support a
portion of the estimated cost
of applying for a Medicaid
waiver.

**TOTAL
APPROPRIATIONS**

\$114,823 \$86,344

Sec. 6. Allocation. The following funds are allocated from the
Federal Expenditure Fund to carry out the purposes of this Act.

1997-98

**HUMAN SERVICES, DEPARTMENT OF
Bureau of Medical Services**

All Other \$50,000

Provides funds to support a
portion of the estimated cost
of applying for a Medicaid
waiver.

Sec. 7. Allocation. The following funds are allocated from
Other Special Revenue to carry out the purposes of this Act.

1997-98 1998-99

**HUMAN SERVICES, DEPARTMENT OF
Bureau of Health**

All Other \$6,500,000 \$6,500,000

Provides funds for a smoking

2	prevention advertising campaign.		
4	Bureau of Health		
6	All Other	1,000,000	1,000,000
8	Provides funds for a smoking cessation program.		
10			
12	DEPARTMENT OF HUMAN SERVICES TOTAL	<u>7,500,000</u>	<u>7,500,000</u>
14	MAINE HEALTHY KIDS CORPORATION		
16	Maine Healthy Kids Corporation		
18	All Other	2,500,000	2,500,000
20	Provides funds to support a portion of the estimated cost		
22	for providing health insurance to children.		
24			
26	MAINE HEALTHY KIDS CORPORATION TOTAL	<u>2,500,000</u>	<u>2,500,000</u>
28	TREASURER OF STATE, OFFICE OF THE		
30	State - Municipal Revenue Sharing		
32	All Other	8,084,786	20,775,864
34	Provides additional funds for the state - municipal revenue		
36	sharing program.		
38	OFFICE OF THE TREASURER OF STATE TOTAL	<u>8,084,786</u>	<u>20,775,864</u>
40			
42	TOTAL ALLOCATIONS	<u>\$18,084,786</u>	<u>\$30,775,864'</u>

44 Further amend the bill by relettering or renumbering any
46 nonconsecutive Part letter or section number to read
consecutively.

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HOUSE AMENDMENT

R. 4. 8.

FISCAL NOTE

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1997-98

APPROPRIATIONS/ALLOCATIONS

General Fund	\$50,000
Other Funds	50,000

REVENUES

Other Funds	\$50,000
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This amendment increases the General Fund cost of the bill by \$50,000 in fiscal year 1997-98. It also substitutes the Other Special Revenue allocations contained in the bill, resulting in no net change in the amount allocated in fiscal year 1997-98 and fiscal year 1998-99.

The amendment provides Other Special Revenue allocations of \$8,084,786 and \$20,775,864 in fiscal years 1997-98 and 1998-99, respectively for the state-municipal revenue sharing program.

The amendment also provides Other Special Revenue allocations of \$6,500,000, annually in fiscal years 1997-98 and 1998-99 for a smoking prevention advertising campaign. It also provides allocations of \$1,000,000, annually in fiscal years 1997-98 and 1998-99 for a smoking cessation program.

The cost of establishing the Maine Healthy Kids Corporation can not be estimated at this time and will depend on the cost and timing of the benefit package provided, the availability of other funding sources and on the associated administrative costs. If the corporation is able to provide benefits at a cost comparable to Medicaid, \$11,000,000 to \$12,000,000 per year will be required. This estimate does not include administrative costs and other one-time costs that will be required to establish and maintain the corporation. This amendment allocates \$2,500,000, annually in fiscal years 1997-98 and 1998-99, respectively to support a portion of the projected costs.

The Department of Human Services will also incur additional costs to prepare the required waiver request in conjunction with the Maine Healthy Kids Corporation. The actual increase in administrative costs will depend on the level of technical and actuarial assistance required. The department estimates that an additional \$100,000 will be needed. This amendment provides that level of funding through a \$50,000 General Fund appropriation and

HOUSE AMENDMENT

a \$50,000 Federal Expenditure Fund allocation in fiscal year 1997-98.'

SUMMARY

This amendment retains the increase in cigarette taxes of 37¢ per pack and establishes the Maine Healthy Kids Corporation, a nonprofit corporation, to develop a plan to facilitate the provision of preventive health care services and comprehensive health insurance coverage to children under 19 years of age using a portion of the revenue generated from the increase in the cigarette tax. This plan must include a sliding scale of premiums and copayments based on the ability of a parent or guardian to pay. The corporation must issue its first report no later than December 1, 1997. The revenue generated from the increase in cigarette taxes is used in the following manner: \$6,500,000 for an advertising campaign to aid antismoking efforts; \$2,500,000 for health care to cover all children under 19 years of age; and \$1,000,000 for smoking cessation programs.

The remainder of the revenue, over 8,000,000 in fiscal year 1997-98 and over 20,000,000 in fiscal year 1998-99, is added to the state-municipal revenue sharing program.

SPONSORED BY: Julie Winn
(Representative WINN)

TOWN: Glenburn